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Uncloaking Of CIA Projects Hasn't Hurt Its Recruitment

By WILLIAM THEIS

WASHINGTON — Has the Central Intelligence Agency been hurt by congressional disclosure of some of its secret activities? Well, yes — and no — according to CIA Director William E. Colby, who soon is leaving his post.

"Yes — some individual agents have turned in their suits," says the 55-year-old Colby, who is to be replaced by China envoy George Bush.

"Foreign intelligence services are concerned . . . Some are holding back information."

Some American companies abroad are declining to cooperate with CIA.

But, he adds:

"CIA people are tough-minded. We have had no greater number of retirements or resignations this year than last. And we have considerably more applicants this year than last. Our daily products are better.

Public reaction to the Vietnam War and the Watergate scandal, with their attendant congressional inquiries, is forcing the agency to "work within the Constitution," and it can be done, Colby said.

Colby, soft-spoken but precise in his

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articulation of past and current problems, sees a need for:

- Improved guidelines for the agency, and a clarification of how and where it can operate; how to compromise its prohibition against involvement in internal security and its charge to protect its internal sources; what its duty is when confronted with "leaks" of information?

- Improved supervision. "Good external supervision by proper committees (of Congress) will create better internal supervision." Now Colby is briefing eight congressional committees — that number must be reduced, perhaps to one joint committee or one in each house.

Recalling the tumultuous events, when President Ford fired him and Defense Secretary James R. Schlesinger, and picked ex-GOP Chairman Bush to head the CIA, Colby said he turned down the President's offer of the NATO ambassadorship after consulting with his wife.

He intends to return to the practice of law once Bush is confirmed and sworn in, and "likely" will write a book at some later point.

Some American firms "feel they can't risk their company futures, and are refusing to allow us 'cover' or are refusing to allow us to interview their people," said the outgoing director. But he quickly added:

"I've looked forward — I think if we come out of this with better guidelines,

supervision and rules . . . even having 'blown' some operations, we'll come out pretty good."

Colby left no doubt that leaks of information given Congress has inflicted some damage but said: "I don't want to put the finger on Congress because we have an equal problem with the Executive Branch, where you fellows get some of your stories. This has a decreasing effect on our ability to initiate projects that are risky."

The director also said that:

- The CIA had "nothing to do" with the assassination of Chilean President Allende and "never had a plan" to do that. From 1971 on, he conceded, it had been "trying to sustain some democratic forces looking toward the elections of 1976," in that country. Military forces finally staged a coup.

- "Covert supplying of arms to another country" is a long practiced custom of governments, dating back to France's secret furnishing of arms to the Colonial Americans. It still goes on "under direction of the National Security Council," he said.

- Intelligence budgets must remain secret. To publish them even in total terms one year would lead to questions, and comparisons in following years, revealing to an opponent nation what this country's intelligence services are up to, Colby insisted.